

**CITY OF LODI
SPECIAL JOINT MEETING OF THE CITY COUNCIL
AND THE DOWNTOWN LODI BUSINESS PARTNERSHIP
THE MERLOT, 23 WEST ELM STREET, LODI
TUESDAY, MARCH 4, 2003**

The Special Joint Meeting of the Lodi City Council and the Downtown Lodi Business Partnership of March 4, 2003 was called to order by Mayor Pro Tempore Howard at 7:03 a.m.

A. ROLL CALL

Present: Council Members – Hansen, Howard, Land, and Mayor Hitchcock (arrived at 7:15 a.m.)

Absent: Council Members – Beckman

Also Present: City Manager Flynn, City Attorney Hays, and City Clerk Blackston

B. CITY COUNCIL CALENDAR UPDATE

City Clerk Blackston reviewed the weekly calendar (filed).

C. TOPIC(S)

C-1 “Discussion on items of mutual concern with the Downtown Lodi Business Partnership”

City Manager Flynn recalled that in June 2002 Council approved funding to the Downtown Lodi Business Partnership (DLBP) in the amount of \$39,000 to be used for banners, and \$14,000 for past DLBP collection services. He believed that there should be some accountability when funds are allocated for specific purposes, so that the Council has some way of knowing how the money is spent. The Public Works Department has informed him that the DLBP is requesting frequent signage changes, which is costly to the City. The DLBP has also requested parking enforcement on Sundays, although staff has not yet determined that there is a need to do so. In reference to billing procedures, Mr. Flynn objected to the DLBP's interpretation that the City should pay them 100% of the amount billed (at the time it is billed) rather than when it is collected. He reported that a number of people have not paid their assessment fee and the City is taking them to small claims court. Some of these individuals believe that they are not being properly notified of when the protest vote is due, and because of this, they are resisting paying their assessment fee.

Peter Westbrook explained that the DLBP is governed by its bylaws and run by a 12 member volunteer board of directors, elected by the membership, which now totals 240. He reported that last year's priorities for the downtown were to bring in new events and expand the banner program. The board of directors voted to put on a Dickens Faire, which ultimately cost \$40,000 more than revenues collected. The ice rink, in particular, was very expensive and cost \$7,000 more than was originally anticipated. In addition Mr. Westbrook explained that some people backed out of donations they had pledged, and the inclement weather limited attendance. He pointed out that nearly every event the DLBP has coordinated, cost money initially, but grew to be money makers. Mr. Westbrook reported that the DLBP no longer has funds to complete the banner program. Bids for the banners ranged from \$22,000 to \$56,000. He noted that just putting up ribbons cost \$3,800 and banners are much more expensive because of the bracketing and ongoing maintenance that is needed.

NOTE: Mayor Hitchcock arrived at 7:15 a.m.

Council Member Hansen stated that if Council allocates money for a specific purpose, it should be notified in advance when plans change.

Mr. Westbrook replied that prior to the Dickens Faire he was approached by a couple of Council Members regarding a rumor they had heard about the DLBP planning to ask for \$30,000 to put on the Faire. He stated that the former mayor intimated to him that it might not be a good idea to request the funding from the City. Due to a large interest expressed by the public for the Faire, it was anticipated that revenues generated from the event would nearly cover the cost, and consequently, it was decided not to make the request to Council for additional funding. He emphasized that there was no advance thought of spending the banner money on the Faire; however, as it turned out, expenses overran revenues. He believed the Dickens Faire was "worth the gamble" and stated that he would do it again if given the opportunity.

Mayor Pro Tempore Howard agreed with Mr. Westbrook's interpretation that annual funding from the City is typically for general use of the DLBP, and she stated that if they chose to put on another Dickens Faire, that would be their decision. She noted, however, that the DLBP needs to work within whatever is remaining in their "general fund" and anything above that needs to be obtained through fundraising efforts. When the City makes special allocations (such as for the banner program) it is important that it be accomplished. She indicated that it would not be appropriate to ask Council again for funding for the same purpose, or to ask for a larger annual general sponsorship to cover the same cost.

Mr. Westbrook responded that every board member has a full time job and are doing the best they can with DLBP responsibilities. He reported that each board member contributed at least 300 hours last year on DLBP business. In response to comments that had been made, Mr. Westbrook stated that if City administration and Council want to hold the DLBP accountable; they should hold it accountable for *results*, which he believed were very favorable. He warned that if the City decreased or eliminated funding to the DLBP, many positive changes that have taken place in the downtown area would go away. Mr. Westbrook stated that the board plans to put on another Dickens Faire and will be asking the Council for a larger financial contribution than in previous years.

Council Member Land recalled that the DLBP originally presented a plan and request for a level contribution amount. It was the Council's decision to earmark the funds. He supported the DLBP's expenditures, as long as they accomplish the banner program in the future.

Mr. Westbrook reported that one of the DLBP's goals over the next five years is to expand the downtown core to include areas on Sacramento, Oak, Church, and Main Streets. He commented that the Main Street area will become even more of a priority when the Indoor Sports Center is constructed.

In reply to Mayor Pro Tempore Howard, Mr. Westbrook anticipated coming before Council with the DLBP's annual funding request by late March or early April.

Mayor Hitchcock believed that the overall direction of the DLBP is positive. She noted that financial support will be difficult in the coming year due to budget constraints.

Mr. Westbrook suggested that funding for the DLBP, Wine and Visitor Center, and Chamber of Commerce should be a percentage of the Transient Occupancy Tax (TOT), and in essence, it would then be tied to performance. He believed the recent TOT measure failed because there was no rally of support from these three organizations, each of whom contribute to the City's growth.

City Attorney Hays explained that if the TOT is changed to a special tax, it would take a two thirds vote to pass a measure, whereas currently it takes only a majority vote.

Mr. Flynn pointed out that it is not only the three organizations that Mr. Westbrook mentioned who promote Lodi. Contributions to tourism and promotion efforts are also made by Hutchins Street Square, the Parks and Recreation Department, Economic

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Development Coordinator Tony Goehring, and Community Promotions Coordinator Cynthia Haynes.

Public Works Director Prima reported that the DLBP has asked his department to: 1) put up 13 directional signs for the parking structure, 2) have larger and more decorative signage; 3) add signage prohibiting overnight parking, and 4) change the location of handicap parking stalls on Elm Street. The Traffic Engineering Division and others in administration spend between 40 to 60 hours a month dealing with downtown parking issues, which takes away from other traffic engineering work that needs to be done. Mr. Prima stated that due to the tight budget year coming up, discussions about limits or cost sharing should take place.

Mr. Westbrook pointed out that the parking issue is evolutionary. The theater has increased parking on Elm Street, which necessitates the need to strategically locate the handicap parking spaces in an effort to accommodate the new surrounding businesses. He did not believe that the DLBP would have adequate funding to consider sharing the signage cost.

Mayor Pro Tempore Howard suggested that a one year analysis be conducted before making signage changes.

Mr. Westbrook commented that parking resources are going to be consumed when the Finance Department relocates to the parking structure and its employees and customers are parking there.

Lew VanBuskirk reported that ten new eating establishments have located in the downtown area since January 2002. Each of these businesses require areas for loading and unloading supplies.

Tony Goehring, Economic Development Coordinator, explained that parking was designed assuming that there would be a diverse tenant mix in the retail portion of the theater and the parking structure; however, this has not occurred. The parking problem has been exacerbated by fast food type restaurants around the theater, all of which have patrons who need to get in and out of the area within a short period of time. The same situation will occur around the parking structure when the Finance Department relocates there and customers come to pay their bills.

Mr. Flynn commented that at some point there needs to be a new paradigm considered regarding the issue of parking. There are advantages of not always having parking available directly in front of businesses. Pedestrian traffic attracts shoppers and allows opportunities to walk past storefronts.

Mr. Westbrook stated that signs directing travelers to shop and dine downtown are needed and the DLBP would be willing to pay for them. He explained that Sunday parking enforcement is necessary because more stores are now open on Sunday and the theater has increased business on that day.

Police Chief Adams replied that the Police Department has staff to accomplish Sunday parking enforcement; however, proper signage needs to be in place prior to beginning the enforcement.

Mayor Pro Tempore Howard suggested that for a period of two weeks, warning slips be given, rather than issuing parking tickets.

In reference to billing procedures, Mr. Flynn reported that the DLBP has asked the City to pay them the full amount that is billed. This means that the City is guaranteeing the collection and taking the risk of whether or not the assessments are paid. He explained that the normal procedure is to pass along what is collected to the DLBP.

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In answer to Council Member Hansen, Mr. VanBuskirk stated that less than 8% of the members have refused to pay. Collection issues also arise when merchants go out of business.

Mayor Pro Tempore Howard was not in favor of the City fronting the money to the DLBP, and preferred that payment be made to them once the fees are collected.

Mr. Goehring expressed his opinion that if the City had to front uncollected money, it would have to take a larger role in running the DLBP, which both parties have indicated they would not desire.

In reply to Mayor Pro Tempore Howard, Mr. Westbrook explained that the process to change the fee structure would be lengthy. He estimated that they would probably not be in a position to move forward with a vote of the membership until 2004.

Mr. VanBuskirk noted that the issue of changing the boundaries is completely separate from the fee structure and would also need a vote of the membership. He stated that a committee was started in January to review the matter and the DLBP had hoped to have a Council Member and City representative serve on it.

Mayor Hitchcock stated that it is extremely important that the Council and City support the businesses that are already in the City, and particularly those in the downtown area. She offered to serve on the committee being formed by the DLBP.

D. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

E. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:45 a.m.

ATTEST:

Susan J. Blackston
City Clerk